

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

March 4, 2003

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**FROM:** RUDY LOPEZ, Director  
Department of Behavioral Health

**SUBJECT: CONTRACT FOR ACUTE PSYCHIATRIC INPATIENT SERVICES**

**RECOMMENDATION:** Approve contract with Tenet Health System Desert, Inc. (CA) dba Desert Regional Medical Center Palm Springs (DRMC) for acute psychiatric inpatient services for indigent care in the amount of \$574,875 for the period of July 1, 2002 through June 30, 2005.

**BACKGROUND INFORMATION:** In January 1995, the County of San Bernardino Department of Behavioral Health (DBH) entered into an agreement with the State Department of Mental Health (DMH), as a Mental Health Care Plan Agency (MHP). As a MHP, DBH is responsible for providing quality care and access to specialty mental health services for Medi-Cal beneficiaries in the most cost effective manner possible.

As a result of this agreement and pursuant to AB 757, the Department of Behavioral Health (DBH) has contracted with area hospitals to provide acute psychiatric inpatient services to San Bernardino County (County) Medi-Cal eligible residents since January 1995. These residents who qualify for services are either a danger to self, danger to others, or are gravely disabled as a result of a mental disorder and the situation necessitates a medical assessment. As the MHP, DBH has the responsibility of authorizing the delivery of services at the contracted hospitals for Medi-Cal qualified residents. In addition to providing psychiatric inpatient services to Medi-Cal residents, these hospitals also provide acute inpatient psychiatric services to medically indigent residents who do not have the means to pay for these services.

On June 6, 2002, contracts were sent to six hospitals, including DRMC, for signatures. On June 25, 2002, the Board of Supervisors approved the contracts (Item 058) with the following five hospitals; Inland Mental Health Associates, Inc. dba Canyon Ridge Hospital, Loma Linda University Behavioral Center, Redlands Community Hospital, San Bernardino Community Hospital, and Victor Valley Community Hospital (VVCH). Due to DRMC's extensive internal review and approval process, the contract wasn't returned until January 2, 2003.

Although DRMC is located in Riverside County, it is the closest hospital to the Southern Desert region of the County of San Bernardino that is able to provide acute psychiatric inpatient services to County residents. The Southern Desert region includes the communities of Yucca Valley, Morongo Valley, Joshua Tree, Twentynine Palms, and Landers. DRMC is currently providing Federally mandated services to County Medi-Cal eligible patients and has continued to do so since July 1, 2002.

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DRMC currently admits Medi-Cal qualified patients in need of care from the Southern Desert region of the County regardless of ARMC-BHU's capacity and upon approval of this contract will continue to do so for both Medi-Cal and indigent patients. They may do so due to the time required to transport patients and the need for residents to receive immediate psychiatric care and as a result, along with VVCH, DRMC has permission to treat patients on an inpatient basis and are not required to transfer patients to ARMC-BHU. All other inpatient hospitals must attempt to transfer medically indigent patients to Arrowhead Regional Medical Center Behavioral Health Inpatient Unit (ARMC-BHU) within 24 hours of admission. If ARMC-BHU is at capacity, the inpatient hospitals will receive appropriate indigent care service reimbursements from DBH, which are set at \$525 per day. Upon approval of this contract Desert Regional Medical Center will continue to provide these services to Medi-Cal qualified patients as well as indigent patients. Since July 1, 2002, DRMC has not provided indigent acute psychiatric inpatient services, these indigent patients have been transferred to ARMC for care. The indigent care service reimbursements from DBH to DRMC will commence on or after March 4, 2003 and with approval of this contract.

Presently, DBH, in cooperation with Arrowhead Medical Center and the Human Services System, is developing a Request for Proposals (RFP) for Acute Psychiatric Inpatient Services beds that will be presented to the Board of Supervisors. This RFP will seek alternatives for meeting the needs of acute psychiatric inpatients currently treated at ARMC-BHU. The resulting RFP would not have an impact on existing contractors and may only effect patients are transferred in the future.

Approval of this item will allow DBH to pay for acute psychiatric inpatient services for indigent residents through State Realignment Funds, at the rate of \$525 per day. The State currently reimburses DRMC at the previously negotiated rate of \$475 per day for Medi-Cal patients; those services are directly billed to and reimbursed by the State. Approval of this contract will allow DRMC to be reimbursed by the State at a new negotiated rate of \$525 per day for Medi-Cal patients which is consistent with the other five contracted hospitals.

**REVIEW BY OTHERS:** This agreement was been reviewed and approved as to form by Deputy County Counsel, Charles Larkin on June 5, 2002. This item was also reviewed by County Administrative Office Beatrice Valdez, Administrative Analyst on January 29, 2003.

**FINANCIAL IMPACT:** This expenditure in the total amount not to exceed \$574,875 for the contracted period of July 1, 2002 through June 30, 2005 will result in no local cost to the County and represents only the Indigent Care Reimbursement portion. The annual cost of this contract is \$191,625 and is included in the FY 02/03 budget and will be included in the department's FY 03/04 and 04/05 budgets. The Indigent Care Reimbursement is billed to and paid by DBH. This portion is funded 100% by State Realignment Funds. Reimbursement for Medi-Cal Acute Psychiatric Inpatient Days is billed to and paid by the State. There is no expected State budget impact to this program and funding is expected to continue in the future.

**Cost Reduction Review:** The County Administrative Office has reviewed this agenda item and recommends approval because expenditures, including administrative costs, are fully reimbursed by State Realignment Funds.

**SUPERVISORIAL DISTRICT(S):** 1<sup>st</sup> and 3<sup>rd</sup>

**PRESENTER:** Rudy Lopez, Director  
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